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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, FEBRUARY 2, 2000

COMMONWEALTH OF VIRGINIA, ex rel.

STATE CORPORATION COMMISSION

v.

MUTUAL BENEFITS CORPORATION,
SAMIR GHOSH,
DAVID HARDY,
NORMA HARDY,
FRED WOODBURY,
GLENN BOLLINGER,
JOHN STANLEY, and
JIM EPPS,

Defendants

CASE NO. SEC000005
CASE NO. SEC000006
CASE NO. SEC000007
CASE NO. SEC000008
CASE NO. SEC000009
CASE NO. SEC000010
CASE NO. SEC000011
CASE NO. SEC000012

RULE TO SHOW CAUSE

COMES NOW THE Commission's Division of Securities and
Retail Franchising ("Division") and alleges as follows:

1. Beginning in February, 1995, Mutual Benefits
Corporation ("MBC"), a viatical settlement provider located in
Ft. Lauderdale, Florida, offered and sold viatical settlement
contracts ("viatical settlements") to residents of Virginia.

2. Viatical settlements are securities as defined in
Virginia Securities Act ("Act"), § 13.1-501 et seq. of the Code
of Virginia.

3. MBC, by and through Samir Ghosh ("Ghosh"), David Hardy
("DHardy"), Norma Hardy ("NHardy"), Fred Woodbury ("Woodbury"),

Glenn Bollinger ("Bollinger"), John Stanley ("Stanley"), and Jim Epps ("Epps") offered and sold viatical settlements to eighty-seven (87) residents of Virginia.

4. MBC's agents, Ghosh, DHardy, NHardy, Woodbury, Bollinger, Stanley, and Epps were not registered to offer or sell securities under the agent registration provisions of § 13.1-504 A of the Act.

5. MBC transacted business, in this state, without registration as a broker-dealer in violation of § 13.1-504 A of the Act.

6. MBC employed unregistered agents, Ghosh, DHardy, NHardy, Woodbury, Bollinger, Stanley, and Epps, in this state in violation of § 13.1-504 A of the Act.

7. MBC and its agents listed-above offered and sold unregistered securities in violation of § 13.1-507 of the Act.

8. MBC, by and through its agents, Ghosh, DHardy, NHardy, Woodbury, Bollinger, Stanley and Epps, provided prospective purchasers with disclosure materials that were used to obtain money by means of an untrue statement of a material fact or an omission to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, in violation of § 13.1-502 of the Act.

IT APPEARING that the Division's allegations describe activities that constitute acts made unlawful by the Act, it is therefore,

ORDERED that MBC, Ghosh, DHardy, NHardy, Woodbury, Bollinger, Stanley, and Epps, appear before the State Corporation Commission, in its Courtroom, Second Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia at 10:00 a.m. on April 5, 2000, and show cause, if any they can, why they jointly or severally should not be penalized pursuant to the § 13.1-521 of the Act, be permanently enjoined pursuant to § 13.1-519 of the Act and be assessed the cost of investigation, on account of the aforesaid alleged violations.

IT IS FURTHER ORDERED that each defendant file on or before March 3, 2000, an original and fifteen (15) copies of a responsive pleading in which each defendant expressly admits or denies the allegations contained in the Rule to Show Cause. If a defendant denies any of the allegations, that defendant shall set forth in such responsive pleading a full and clear statement of all the facts which that defendant is prepared to prove by competent evidence that refute the allegations so denied. Each defendant shall expressly indicate in such responsive pleading whether or not it/they desire and intend to appear and be heard before the Commission on the scheduled hearing date. The responsive pleading shall be delivered to the Clerk, State

Corporation Commission, Document Control Center, P.O. Box 1197, Richmond, Virginia 23218, and shall contain a caption setting forth the style of this case and its case number.

IT IS FURTHER ORDERED that a defendant shall be in default in the event of failure to timely file either a responsive pleading as set forth above or other appropriate pleading, or in the event of failure to make an appearance at the hearing. Upon such default a defendant waives all objections to the admissibility of evidence and may have entered against each judgment by default imposing some or all of the aforesaid sanctions.